

Reviewed Financial Statements

Little Tokyo Business Improvement District

December 31, 2016

Quigley & Miron

Little Tokyo Business Improvement District
Reviewed Financial Statements
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Independent Accountant's Review Report

Board of Directors

Little Tokyo Business Improvement District

Los Angeles, California

We have reviewed the accompanying statement of financial position of Little Tokyo Business Improvement District, a nonprofit corporation, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

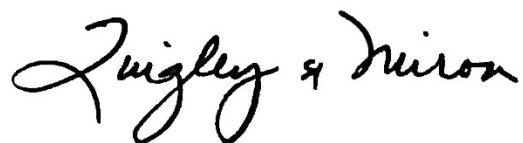
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Los Angeles, California
December 16, 2017

Little Tokyo Business Improvement District
Statement of Financial Position
December 31, 2016

Assets

Cash	\$	107,347
Business Improvement District funds receivable		<u>77,964</u>
Total Assets	\$	<u>185,311</u>

Net Assets

Unrestricted	\$	<u>185,311</u>
Total Net Assets	\$	<u>185,311</u>

See independent accountant's review report and notes to the financial statements.

Little Tokyo Business Improvement District
Statement of Activities
Year Ended December 31, 2016

Support and Revenue

Business Improvement District special assessments	\$ 239,637
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Total Support and Revenue	239,637
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Expenses

Administration	18,340
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Marketing and promotion	22,484
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Professional security services	200,008
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Street maintenance	11,259
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Total Expenses	252,091
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Change in Net Assets	(12,454)
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Net Assets at

Beginning of Year	197,765
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Net Assets at End of Year	<u>\$ 185,311</u>
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See independent accountant's review report and notes to the financial statements.

Little Tokyo Business Improvement District
Statement of Cash Flows
Year Ended December 31, 2016

Cash Flows from Operating Activities

Change in net assets	\$ (12,454)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Changes in operating assets:	
Business Improvement District funds receivable	(1,603)

Cash Used in Operating Activities	(14,057)
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Cash at Beginning of Year	121,404
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Cash at End of Year	\$ 107,347
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Supplementary Disclosures

Income taxes paid	\$
Interest paid	\$

See independent accountant's review report and notes to the financial statements.

Little Tokyo Business Improvement District
Notes to Financial Statements
December 31, 2016

Note 1—Organization

Organization—Little Tokyo Business Improvement District (LTBID) is a not-for-profit organization established under the California Street and Highways Code on July 29, 2003 and is located in Los Angeles, California. The purpose of LTBID is to supplement City of Los Angeles services by providing a professional security patrol, street maintenance, and a marketing program to improve the general business climate and economic interest of the businesses located in the Little Tokyo area of Los Angeles. The funds for these services are provided solely by the City of Los Angeles.

The management and supervision of LTBID is conducted by the Little Tokyo Business Association (LTBA) under contract with the City of Los Angeles. LTBA is a not-for-profit organization, which maintains a tax-exempt status under sections 501(c)(4) of the Internal Revenue Code and 23701f of the State of California, Revenue and Taxation Code. LTBA is governed by a volunteer Board of Directors and its members.

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The net assets and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of LTBID.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of LTBID and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets for which the donor has stipulated that the principal be maintained into perpetuity.

Income Taxes—LTBID is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, LTBID has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2016. Generally, LTBID's information returns remain open for examination three (federal) or four (state of California) years from the date of filing. The activities of LTBID are incorporated into the information returns of LTBA.

Little Tokyo Business Improvement District
Notes To Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Cash—LTBID maintains a cash balance with a high quality financial institution, where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Contributions—Contributions are reported as support revenue in the period received and as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the accompanying statement of activities.

Revenue Recognition—Revenues from Business Improvement District assessments are reported as increases in unrestricted net assets as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as funds receivable.

Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3—Subsequent Events

Management evaluated all activities of Little Tokyo Business Improvement District through December 16, 2017, which is the date the financial statements were available to be issued, and concluded that no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.